

House Study Bill 234 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL BY
CHAIRPERSON KAUFMANN)

A BILL FOR

1 An Act relating to transactions involving used catalytic
2 converters, and providing fees.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 714.27A, subsection 2, paragraphs b and
2 c, Code 2023, are amended to read as follows:

3 b. For a business transaction in which the person selling
4 the catalytic converter operates a business at a fixed location
5 in this state, the person shall provide to the purchaser a
6 copy of the person's valid sales tax permit issued pursuant to
7 chapter 423 or a copy of the person's valid business license
8 or permit. For a business transaction in which the person
9 selling the catalytic converter operates a business at a fixed
10 location in another state and is authorized to conduct a
11 business transaction in this state, the person shall provide
12 to the purchaser a copy of the person's valid sales tax permit
13 issued pursuant to [chapter 423](#), if the person has such a
14 permit, or a copy of the person's valid business license or
15 permit from the other state. If a person is unable to provide
16 the documentation required in this paragraph, the person shall
17 instead comply with paragraph "c".

18 c. For transactions other than business transactions, the
19 person selling the catalytic converter shall provide to the
20 purchaser an original receipt or invoice for a replacement
21 catalytic converter purchased fewer than thirty days before
22 the person sells the replaced catalytic converter, a signed
23 affidavit attesting to the seller's valid ownership of the
24 catalytic converter, or a junking certificate for a vehicle
25 that was issued fewer than thirty days before the person sells
26 the catalytic converter.

27 (1) The receipt, invoice, affidavit, or junking certificate
28 presented by the person to the purchaser must be unmarked by a
29 purchaser pursuant to [subsection 3](#).

30 (2) This paragraph does not apply to a transaction if the
31 person presents proof, unmarked pursuant to [subsection 3](#), to
32 the purchaser that the sale is approved by the sheriff of the
33 county in which the vehicle from which the catalytic converter
34 was removed is registered.

35 Sec. 2. Section 714.27A, subsection 3, paragraph b, Code

1 2023, is amended to read as follows:

2 *b.* A person who purchases a catalytic converter shall mark
3 the receipt, invoice, affidavit, junking certificate, or proof
4 of sheriff approval presented under subsection 2 to indicate
5 the catalytic converter has been sold. The person shall take a
6 photograph of the catalytic converter that clearly identifies
7 the item as a catalytic converter.

8 Sec. 3. Section 714.27A, Code 2023, is amended by adding the
9 following new subsection:

10 NEW SUBSECTION. 4A. *a.* A person shall not purchase a
11 used catalytic converter unless the person is registered as an
12 authorized purchaser with the department of revenue. The fee
13 for an authorized purchaser registration is one hundred dollars
14 and such authorization is valid for one year. A person who
15 conducts a business transaction on behalf of another person
16 shall be considered an authorized purchaser if the other
17 person on whose behalf the person is making a purchase is an
18 authorized purchaser.

19 *b.* The fees collected under this subsection shall be
20 deposited in the general fund of the state.

21 *c.* The department of revenue may adopt rules pursuant to
22 chapter 17A to implement and administer this subsection.

23 Sec. 4. Section 714.27A, subsection 6, unnumbered paragraph
24 1, Code 2023, is amended to read as follows:

25 A person, including a person who conducts a business
26 transaction on behalf of another person, who intentionally
27 violates this section shall be subject to a civil penalty as
28 follows:

29

EXPLANATION

30 The inclusion of this explanation does not constitute agreement with
31 the explanation's substance by the members of the general assembly.

32 Under current law, for a business transaction, as defined
33 in Code section 714.27A, in which the seller of a catalytic
34 converter operates a business at a fixed location in this
35 state, the seller must provide to the purchaser a copy of the

1 seller's valid sales tax permit issued pursuant to Code chapter
2 423. This bill authorizes such a seller to alternatively
3 provide a copy of the seller's valid business license or
4 permit. The seller of a catalytic converter operating a
5 business at a fixed location in another state is authorized to
6 provide a copy of the person's valid business license or permit
7 from the other state under current law.

8 For transactions other than business transactions under
9 current law, the person selling the catalytic converter is
10 required to provide to the purchaser an original receipt or
11 invoice for a replacement catalytic converter purchased fewer
12 than 30 days before the person sells the replaced catalytic
13 converter, or a junking certificate for a vehicle that was
14 issued fewer than 30 days before the person sells the catalytic
15 converter. The bill authorizes a seller to provide a signed
16 affidavit attesting to the seller's valid ownership of the
17 catalytic converter instead of the original receipt, invoice,
18 or junking certificate. The bill requires a purchaser to mark
19 an affidavit in the same manner the purchaser must mark other
20 acceptable forms of proof of ownership under Code section
21 714.27A.

22 The bill prohibits a person from purchasing a catalytic
23 converter unless the person is registered as an authorized
24 purchaser with the department of revenue (DOR). The fee
25 for an authorized purchaser registration is \$100 and such
26 authorization is valid for one year. The fees collected must
27 be deposited in the general fund of the state. A person who
28 conducts a business transaction on behalf of another person
29 is considered an authorized purchaser if the other person on
30 whose behalf the person is making a purchase is an authorized
31 purchaser.

32 A person, including a person who conducts a business
33 transaction on behalf of another person, who violates Code
34 section 714.27A is subject to a civil penalty ranging from
35 \$1,000 to \$10,000 based on the number of violations that occur

1 within a two-year period. The bill requires that a person must
2 intentionally violate Code section 714.27A to be subject to the
3 corresponding civil penalty.

4 Under current law, proof that a person, including a person
5 who conducted a business transaction on behalf of another
6 person, violated Code section 714.27A(2) or 714.27A(3) is
7 evidence from which the court or jury may infer culpability
8 relating to the theft of a catalytic converter. The bill does
9 not add an intention element to violations for purposes of this
10 provision.